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THE OTTAWA CONFERENCE

by

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with the aid of the Research Staff of the Foreign Policy Association

TABLE OF CONTENTS

INTRODUCTION

THE Imperial Economic Conference which opened at Ottawa on July 21, 1932 was of twofold significance. It represented, in the first place, the most ambitious effort to date to stay the forces of the world depression by what, in essence if not in name, was international action; on a limited scale, Ottawa sought to cope with the same problems which will confront the World Economic Conference. In a sense this task was a challenge, for if the governments of the British Empire—bound by a common allegiance, a common patriotism and a long habit of cooperation—could not arrive at an agreement to promote their economic recovery, little could be expected from the projected world conference.[1] Moreover, it was clearly recognized that the agreements reached at Ottawa would either facilitate or hinder international action, depending in the final analysis on whether they stimulated or retarded world trade.

Secondly, the Ottawa Conference marked a significant advance in the movement toward greater economic unity within the British Empire which has existed for nearly forty years. Such a development had long been urged on the ground that the Empire as a whole is virtually self-sufficient from the economic point of view. The Dominions, for the most part, are raw-material-producing countries, while the United Kingdom imports foodstuffs and raw materials and exports manufactured goods. As early as the eighteenth century, Great Britain, like the other leading European nations, had sought to monopolize its colonial trade, but about 1850 this policy was abandoned following the gradual acceptance of the principles of free trade. By the end of the century, however, the Dominions had built up a system of protective tariffs, and in the Colonial Conference of Queen Victoria's Jubilee in 1887 the question of Empire preferences was first broached.[2] England opposed discussion at this time, but at the ensuing conference, held in Ottawa in 1894, the question occupied an important place on the agenda.[3] Four years later Canada established a British preferential tariff with rates 25 per cent lower than the ordinary duties. This preference was increased in 1900 from 25 per cent to 33-1/3 per cent of the ordinary duties. The other Dominions gradually took similar action both with regard to each other and to the mother country,[4] but until the World War, England itself—despite the agitation of Joseph Chamberlain—clung to free trade which made preferences impossible.[5]

1. Cf. *The Times* (London), July 21, 1932.

2. Cf. George C. Tryon, *A Short History of Imperial Preference* (London, Philip Allan, 1931), p. 13.

3. For a summary of previous colonial and imperial conferences, cf. *The Dominions Office and Colonial Office List* (London, Waterlow & Sons, 1932), p. lvi., *et seq.*

4. For details, cf. Tryon, *A Short History of Imperial Preference*, cited.

5. In 1915 the McKenna duties were applied to a restricted list of luxury goods, and following the war additional duties

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BARRIERS TO EMPIRE UNITY

BRITISH OPPOSITION TO A TAX ON FOOD

The steadfast opposition of the English to tariffs, and especially to a levy on food, has constituted one of the most serious obstacles to the development of an imperial economic policy. As the chief creditor nation during the nineteenth century and the early part of the twentieth, it was necessary for Great Britain to permit a substantial import surplus in order to receive debt payments.[6] When free trade was introduced, British manufacturers were in an impregnable position; they had no fear of foreign competition in the home markets, and everything to gain by lowering the cost of raw materials and food.[7] Moreover, since the amount of foodstuffs raised in England is by no means sufficient to feed the population, the cost of living of the working classes is dependent as in no other country on tariff policy.[8] This may be illustrated by the fact that during 1930 imports into the United Kingdom totalled $111 per capita—a high figure in comparison with most countries.[9]

PROTECTIONISM IN THE DOMINIONS

Furthermore the Dominions themselves, although strongly favoring trade preferences, have insisted on the protection of their developing industry against the competition of British manufactured goods. Canada and Australia, especially, have undergone significant industrial development during the past forty years with the aid of a high protective tariff,[10] and have been unwilling to imperil these gains. The increasing importance of Canadian manufactures may be indicated by the fact that exports of manufactured products increased from an average of less than $3,000,000 per annum from 1871 to 1875, to $614,000,000 in the fiscal year ending March 31, 1920.[11] The following table shows the extent of industrial growth between 1870 and 1930:[12]

	Number of Establishments	*Number of Employees*	*Gross Value of Output*
1870	41,259	187,942	$ 221,617,773
1890	75,964	369,595	469,847,886
1918	22,910	618,305	3,289,764,146
1930	24,020	644,439	3,428,970,628

Measured by value, one-third of Australia's total production consists of manfactured articles, although the latter comprise only 3.5 per cent of its exports.[13]

In most of the Dominions there has been a marked increase in tariffs since the World War. In 1925 the Balfour Committee made an investigation of the level of tariffs in relation to British trade and discovered that the "main increases of tariff rates on British trade exports had been within the British Empire where the average *ad valorem* incidence has been increased by nearly two-thirds," although the disadvantage "has in several cases, but not in all, been offset by a concurrent increase in the preference accorded to British goods."[14] Since that date, Dominion tariffs against both British and foreign goods have been further increased, but there has been a continued widening of the margin of preference.[14a] This development has been particularly marked since 1930, the basic tariff rates being supplemented by surcharges, exchange duties and other similar measures.[15]

THE NEED OF WORLD MARKETS

A third obstacle to imperial cooperation has been the fact that the total trade between the various parts of the British Empire has

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were levied by the Dyestuffs Act of 1920 and the Safeguarding of Industries Act of 1921. After 1919, however, Dominion products were given preference.

6. For the balance of international payments of the United Kingdom, cf. M. S. Stewart, "Britain's Financial and Economic Crisis," *Foreign Policy Reports*, Vol. VII, No. 18, November 11, 1931, p. 325.

7. G. D. H. Cole, *British Trade and Industry* (London, Macmillan, 1932), p. 52 *et seq.*

8. Cf. *Britain's Industrial Future* (Report of the Liberal Inquiry Commission, London, Ernest Benn, 1928), p. 374-5.

9. *Commerce Yearbook, 1931* (Washington, Government Printing Office), Vol. II, p. 728.

10. According to the indices prepared by the Secretariat of the League of Nations based on customs rates prevailing in 1925, the index of Australia's tariff on manufactured goods was 27 per cent, while that of Canada was 23 per cent. League of Nations, Economic and Financial Section, International Economic Conference, *Tariff Level Indices*, 1927. C.E.I.37, p. 15.

11. *The Canada Year Book, 1932* (Dominion Bureau of Statistics, Ottawa, F. A. Acland), p. 305.

12. *Ibid.*, p. 312-15.

13. *Official Year Book of the Commonwealth of Australia, 1931* (Canberra, H. J. Green), p. 143.

14. Cf. Committee on Industry and Trade (Balfour Committee), *Survey of Overseas Markets* (H. M. Stationery Office, 1927, 61-148), p. 15.

14a. No comparative figures showing the changes which have resulted from the tariff increases of the last few years are available. The most reliable tariff indices are those prepared by the Secretariat of the League of Nations based on the customs rates prevailing in 1925, which are as follows:

Country	*General Index Percentage*	*Index of Manufactured Goods*
Spain	41	41
United States	31	37
Argentina	22	29
Hungary	22	27
Poland	21	32
Czechoslovakia	19	27
Australia	*18*	*27*
Italy	16	22
Canada	*15*	*23*
Germany	13	20
India	*13*	*16*
France	12	21
Sweden	12	16
Austria	12	16
Belgium	9	15
United Kingdom	*5*	*5*
Netherlands	4	6

(League of Nations, Economic and Financial Section, International Economic Conference, *Tariff Level Indices*, Geneva, 1927, C.E.I. 37, p. 15.)

15. *The Economist, Ottawa Supplement*, October 22, 1932, p. 7.

only been about one-third as large as that between the Empire and foreign countries and has shown a slight tendency to decline in recent years.[16] Moreover, trade tends to be conducted with regard to economic rather than political considerations. Canada, for example, has been much more closely tied to the United States commercially than with Great Britain,[17] while England's trade with the United States is much greater than with any one of the Dominions or British possessions.[18] Consequently, the members of the Empire, particularly Great Britain itself, have refrained from unduly penalizing foreign imports through fear of reprisals which might seriously restrict the foreign market for Empire products.[19] The following table shows the extent of the inter-imperial and foreign trade of the United Kingdom, the principal Dominions and India:

BRITISH INTER-IMPERIAL TRADE—1930[1]

(in millions of pounds sterling)

Imports from: / *Into:*	*U.K.*	*Canada*	*Australia*	*New Zealand*	*Union of S. Africa*	*Irish F.S.*	*India*	*Other British Countries*	*Total for British Empire*	*From U.S.*	*Total from Foreign Countries*	*Total*
United Kingdom	......	38.1	46.4	44.9	20.2	42.9	51.0	60.3	304.0	153.5	739.9	1,0[illegible]
Canada[2]	30.7	......	.95	1.37	.68	.13[6]	1.73	6.5	42.1	120.0	144.1	1[illegible]
Australia[3]	54.2	3.5	.1[4]	1.51	.3	.18	5.02	5.0	69.8	30.3	59.5	1[illegible]
New Zealand	20.2	3.8	3.1	......	.09	.06	.66	1.3	29.2	7.8	13.4	[illegible]
Union of S. Africa ..	29.7	2.1	.5	.02	......	.03[6]	2.16	2.2	36.7	9.3	26.7	[illegible]
Irish Free State	45.5	.8	.09	......	.08	......	.03	.03	46.5	3.9	10.3	[illegible]
India[2]	50.8	1.0	1.9	.03	.33	.06[6]	......	7.9	62.0	11.5	67.8	12[illegible]
Other British Countries	57.6	7.1[6]	3.9[6]	.25[6]	4.7[6]	.15[6]	20.2[6]	8.5	102.4	41.0	110.4	21[illegible]
Total Exports to British countries[7]	288.7	56.4	56.94	48.6	26.08	43.51	80.8	91.73	692.7	......	......	1,8[illegible]
	268.8	60.1	54.9	40.0	21.1	42.7	67.4	87.6	683.4	377.3	1,172.9	1,8[illegible]
Exports to the United States[6]	40.1	74.6	4.2	2.1	1.2	.5	15.8	18.0	156.5	533.8[8]	......	—
Total to Foreign Countries[6]	388.7	106.6	42.5	4.0	12.9	3.0	102.5	108.8	769.0	......	1,941.9[9]	—
TOTAL [6]........	657.5	166.7	97.4	44.0	34.0	45.7	169.9	196.5	1,452.4	......	......	2,6[illegible]

1. Compiled from the *Statistical Abstract for the British Empire, 1932,* cited, p. 88, 226 *et seq.*
2. Year ending March 31, 1931.
3. Year ending June 30, 1930.
4. Australian goods re-imported.
5. Includes 1.5 for countries not distinguished.
6. Based on export figures and therefore not strictly comparable.
7. The first line of figures is the sum of the imports from the country heading the column into each British country, as shown in the [illegible] trade returns. The second line of figures shows the total exports including re-exports into British countries by the country heading the column, as [illegible] in its trade returns. The discrepancies are due to different methods in recording trade statistics.
8. Total trade between United States and British Empire.
9. Total trade with foreign countries.

THE RECENT TREND TOWARD IMPERIAL UNITY

The startling decline in England's export trade since the World War, however, has led to a change in the traditional English attitude toward tariffs and aroused an increasing interest in the inter-imperial markets.[20] Even in 1928, which was an unusually good year, British exports were 15.6 per cent below those of 1913 when measured on the basis of the pre-war price level.[21] With the additional losses in trade brought about by the crisis, which was accompanied by a heightening of tariff walls throughout the world, the so-called Empire Crusade,[22] headed by two wealthy newspaper publishers, Lord Beaverbrook and Lord Rothermere,[23] developed partly within and partly outside the Conservative party. As the result of this growing imperial sentiment, both in England and the Dominions, the Imperial Conference which met in London on October 1, 1930 devoted itself largely to a consideration of methods for developing greater economic cooperation within the British Empire,[24] but definite action was frustrated by the unwillingness of the Labour government to impose

16. From 1924 to 1930 inter-imperial trade constituted between 26 and 27 per cent of the total trade of the Empire. Cf. *Statistical Abstract for the British Empire, 1932* (London, H. M. Stationery Office), Cmd. 4102, p. 88.

17. American investments have been an important factor in maintaining this relationship. The total American investments in Canada, direct and indirect, on January 1, 1932 were estimated to be over $4,600,000,000. (Cf. Max Winkler, "American Foreign Investments in 1931," *Foreign Policy Reports,* Vol. VII, No. 24, February 3, 1932.

18. In 1930, trade with the United States comprised approximately 20 per cent of the total trade of the Empire.

19. This point seems to have strongly influenced Mr. Baldwin in his opening address at the Ottawa Conference. Cf. Imperial Economic Conference 1932, *Report of the Conference* (Ottawa, F. A. Acland, 1932), Annex I, p. 71-74.

20. Cf. Stewart, "Britain's Financial and Economic Crisis," cited, p. 323-4, 339.

21. League of Nations, Economic and Financial Organization, *Memorandum on International Trade and Balances of Payments, 1927-29* (Geneva, 1930), Vol. I, p. 101.

22. The Empire Crusade sought a protective tariff for the Empire as a whole, but urged complete free trade between its various portions. (Cf. Lord Beaverbrook, *My Case for Empire Free Trade,* London, The Empire Crusade, 1930.)

23. Lord Rothermere's interests lay chiefly in the political development of the British Empire, especially in India, and he later withdrew from the Empire Crusade, feeling that it was not aiding this cause.

24. For details, cf. Imperial Conference, 1930, *Summary of Proceedings and Appendices to the Summary of Proceedings* (London, H. M. Stationery Office, 1930), Cmd. 3717 and 3718.

a duty on foodstuffs. It was agreed, however, in view of the limited time which the conference had at its disposal, that the economic section of the conference be adjourned to meet at Ottawa on a date within the following twelve months to be mutually decided on.[25]

During the period of adjournment, which was extended to almost two years by unforeseen developments, one of the major obstacles to Empire unity was removed by the overwhelming victory of the Conservative party on a protectionist platform in the British general election held on October 27, 1931.[26] Less than a month after the election, Parliament passed the Abnormal Importations Bill authorizing the Board of Trade to impose *ad valorem* duties up to 100 per cent to prevent manufactured goods from being dumped in anticipation of higher duties. This was followed, on December 10, by the Horticultural Products Act which placed a substantial duty on various luxury foodstuffs, and subsequently by the Import Duties Act which went into effect on March 1, 1932. In anticipation of the arrangement of imperial preferences at the Ottawa conference, Dominion imports were specifically exempted from duty under the abnormal Importations Act, and were granted exemption until November 15, 1932 under the Import Duties Act.[27]

The possibility of agreement on imperial policy was also enhanced by the victory of the conservative United Australia and Country parties—which advocated more moderate tariffs—over the Labour government of Premier J. H. Scullin in the Australian election on December 19, 1931, coupled with the previous triumph of the coalition government in New Zealand on December 2. No difficulty was expected in Canada, where the Conservative party under the leadership of Premier R. B. Bennett, an ardent advocate of imperial preferences, has remained in power since the summer of 1930. The political atmosphere in which the conference met could scarcely have been more auspicious.

DEVELOPMENTS AT THE CONFERENCE

It is not necessary to go into detail regarding the trend of negotiations at the conference itself. Even in the opening addresses on July 21, there was a strong divergence in points of view as evidenced by the willingness of the Dominions to increase tariffs in order to make preferences possible and the desire of Great Britain to prevent further tariff increases against the outside world. In his opening remarks, Mr. Bennett, Canadian Prime Minister, said:

> "In the past Canada's manufactured products have enjoyed a measure of protection, though at times it is claimed by some a not wholly adequate measure of protection, in the home market. Our natural products have enjoyed little or no fiscal advantage over their foreign competitors in Empire markets. It is now our hope to secure it for them. Inasmuch as the ideal application of the principle of protection involves an equalization of benefits thereunder as between manufactured and natural products, it is the desire of this Government to effect that equalization and to find a way for our exporters into Empire markets by giving the exporters from those markets a way into ours.
>
> "Under the prevailing tariff system, Canada is equipped to make this readjustment. The United Kingdom, through its existing tariff preferences and their application in principle to natural products, will be similarly equipped. We, therefore, propose that the United Kingdom shall extend the principle of her present tariff preferences to natural products. And on our own part we are prepared to make the necessary adjustments in our tariffs to secure the advantages which we believe will come from this arrangement."

Mr. Stanley Baldwin, head of the British delegation, stated the program of his government as follows:

> "We hope that as a result of this Conference we may be able, not only to maintain existing preferences, but in addition to find ways of increasing them. There are two ways in which increased preference can be given—either by lowering barriers among ourselves or by raising them against others . . . . It seems to us that we should endeavor to follow the first rather than the second course. For however great our resources we cannot isolate ourselves from the world. No nation or group of nations, however wealthy and populous, can maintain prosperity in a world where depression and impoverishment reign. Let us therefore aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere."

Throughout the conference the principal difficulty lay in the reconciliation of the British and Canadian points of view. The original Canadian proposals, submitted on August 4, were not considered fully satisfactory by the British delegates on the ground that the concessions offered were incommensurate with the advantages sought.[28] The following fortnight was a period characterized by uncertainty, with days when it seemed as if no agreement harmonizing the divergent points

25. *Ibid.*, p. 44.
26. The Conservatives won 471 seats; the Simon Liberals (who cooperate with the Conservatives in the national government and support its protectionist policies) won 35 seats; the Samuel Liberals (who support the national government but oppose tariffs) received 33 seats; while Labour and the other opposition parties secured a total of only 61 seats.
27. Abnormal Importations (Customs Duties) Act, 1931 [22 Geo.5.Ch.1.], Section 2, (2). Import Duties Act, 1932 [22 Geo.5.Ch.8.]. Pt. I, Section 4.
28. Canada asked for substantial preferences on lumber, bacon, cheese, butter and wheat in return for increased Canadian preferences on iron, steel, coal and chemicals and partial preferences on textiles. It was estimated by the Canadian government that the concessions offered would increase the sale of British goods in Canada from $100,000,000 to $150,000,000 annually. This claim was disputed, however, by the British delegates, who placed the figure between $35,000,000 and $50,000,000. (Cf. *New York Times*, August 5 and 10, 1932.)

of view could be reached.[29] New proposals and counterproposals were made by each delegation, but it was not until August 18, on the eve of the adjournment of the conference, that a formula was found for the solution of the chief points of difference. Basically, the obstacles to agreement were the same as those which had wrecked the 1930 Imperial Conference and all previous attempts to achieve greater Empire economic unity: England's need for cheap food and raw materials; and Canada's insistence on protection for its industries while seeking a market for its raw materials, together with the necessity of avoiding, if possible, any action that would interfere with trade between the Empire and foreign countries. Although the British government had embraced protection in principle, it sought to avoid a substantial tax on foodstuffs, while Canada virtually demanded substantial preferences on its food exports. The Australian demands with regard to the meat trade, frozen beef and mutton and especially chilled beef, threatened also to prove a serious stumbling-block, conflicting as they did with British trade with the Argentine.[30]

RESTRICTION OF SOVIET IMPORTS

It was Canada's insistence on restrictive action against Soviet imports, however, that proved to be the most difficult problem at the conference. The British government was willing to increase the tariff on Soviet lumber and to restrict its importation by orders in council in case of "dumping," but it hesitated to enter into a formal agreement which might be considered discriminatory by the Soviet government, for fear of reprisals.[31] After prolonged discussion a compromise was reached[32] in which, by omitting direct reference to the Soviet Union, it was hoped that the United Kingdom might avoid the charge of discriminatory treatment.

A SUMMARY OF THE AGREEMENTS AT OTTAWA

The Ottawa Conference terminated on August 20 with the signing of eleven bilateral agreements between various portions of the Empire, which crystallized the results of the preceding month's negotiations.[33] The agreements run for a period of five years and will subsequently continue in force until six months after notice of denunciation has been given by either party.[34]

In return for concessions on the part of the Dominions and India, the British government undertook to give the former a definite advantage in the English market:[35] first, by continuing the free entry into the United Kingdom of Empire goods, in accordance with the provisions of the Import Duties Act of 1932, subject, however, to certain reservations;[36] second, by imposing new duties on certain foreign imports;[37] and third, by agreeing not to reduce the general *ad valorem* duty of 10 per cent imposed by the Import Duties Act of 1932 on certain foreign goods,[38] including timber, without the consent of the Dominion government concerned.[39] These stipulations, together with those given below, affect 26.9 per cent of Britain's imports on the basis of the 1930 volume of trade.

GREAT BRITAIN'S OBLIGATIONS

In the agreements with Australia and Canada, the United Kingdom agreed to give a preference to Dominion wheat of 2s. per quarter by imposing a customs duty of that amount on all imported foreign wheat. This preference, like that on copper,[40] lead and zinc, is made conditional on the ability of Dominion producers to offer that commodity at a price not exceeding the world price and in quantities sufficient to meet the requirements of British consumers. With a view to protecting and stimulating home production, provision is also made in the Australian agreement for the establishment of an import quota restricting the entry of frozen mutton and lamb, and frozen and chilled beef from foreign countries, in return for Australia's promise to limit the export of

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29. Cf. *New York Times,* August 8, 1932.
30. *Ibid.,* July 23, 1932.
31. *Ibid.,* August 3, 8, 16, 17 and 18, 1932.
32. Cf. p. 249.
33. Of the eleven agreements, seven are between the United Kingdom and India, Southern Rhodesia, and the Dominions—Australia, Union of South Africa, New Zealand, Newfoundland and Canada. The others are between Canada and the Irish Free State, the Union of South Africa, and Southern Rhodesia respectively; and between the Union of South Africa and the Irish Free State.
34. The United Kingdom—Indian agreement is an exception to this, being subject to a six-months' notice of denunciation at any time.
35. For the full text of all the agreements, cf. The Imperial Conference, 1932, *Report of the Conference,* Supplementary Volume (Ottawa, F. Acland, 1932), Annex V.
36. Free entry for eggs, poultry, butter, cheese and other milk products from Empire sources will be continued definitely for three years. After that period, the British government reserves the right, if it considers it necessary in the interest of the United Kingdom producer to do so, to review the basis of preference and, after notifying the Dominions, either to impose a preferential duty on Dominion produce while maintaining the existing preferential margins, or in consultation with the Dominions to bring such produce within any system for the quantitative regulation of supplies from all sources.
37. Duties are specified on wheat, maize (flat white), butter, cheese, raw apples and pears, canned apples, other canned fruits, dried fruits, eggs, condensed milk, milk powder, honey, unwrought copper, raw oranges and grape fruit (April 1 to November 30), grapes (February 1 to June 30), raw peaches, plums and nectarines (December 1 to March 31). For details, cf. Appendix.
38. Among the principal articles affected are: leather, zinc, lead, timber, fish, tallow, canned meat, barley, sausage casings, wheat flour, dried peas, asbestos, macaroni, dressed poultry, casein and dried fruits (other than currants).
39. In the agreements with Canada, South Africa and Southern Rhodesia, the United Kingdom promised to preserve the existing margin of preference on Empire over foreign tobacco for a period of ten years and, if the duty on foreign unmanufactured tobacco falls to 2s. ½d. per pound, to permit free entry of Empire tobacco.
40. The duty on copper, other than electrolytic copper, has been temporarily postponed under this clause. (Cf. *New York Times,* November 16, 1932.)

frozen mutton and lamb to the United Kingdom for 1933 to an amount equivalent to the total imports from Australia during the year ending June 30, 1932. Further action on the problem of limitation is to be taken after consultation between the two governments in the light of experience gained during the ensuing year.[41]

In response to Canada's demand for restriction of Soviet imports, it was stipulated that if either government is satisfied that any preferences granted by it are likely to be wholly or partly frustrated by the creation or maintenance of prices for such commodities through state action on the part of some foreign country, that government will exercise the powers which it now has or will hereafter take to prohibit the entry of such comodities from that country for as long as it may be necessary.[42]

WHAT THE DOMINIONS UNDERTAKE

The agreements between the United Kingdom and the Dominions—Australia, Canada and New Zealand—contained provisions designed to place the British manufacturers in a position to compete in Dominion markets on equal terms with Dominion producers. Thus, the Dominions promised that protection by tariffs shall be afforded only to those industries which are reasonably assured of sound opportunities for success. It was also understood that for the duration of the agreements Dominion tariffs shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economic and efficient production, provided that in the application of such a principle special consideration may be given to the case of industries not fully established. As soon as practicable the Tariff Board in each Dominion will review existing protective duties, and steps will be taken to vary the tariffs in accordance with the above principle. No new protective duty shall be imposed, and no existing duty shall be increased on United Kingdom goods to an amount in excess of the recommendations of the Tariff Board. The United Kingdom producers will have full rights of audience before the Tariff Board.

In addition, the various Dominions took a number of steps to increase the tariff preferences given to British exports over those of non-Empire countries, and agreed to the abolition of certain "nuisance" charges against Empire trade.

AUSTRALIA

The Commonwealth of Australia agreed to the establishment of a preferential specified margin of from 15 to 20 per cent *ad valorem* on all goods produced or manufactured in the United Kingdom, subject to a number of specified exceptions. This was carried out by raising the duties against foreign goods on 400 items.[43]

So far as the goods and produce of the United Kingdom are concerned, it was agreed: that the proclamation prohibiting the importation of certain goods will be repealed; that the surcharges recently imposed will be removed; and that primage duty[44] will be reduced or removed as soon as practicable.

CANADA

New or increased margins of preference were granted to British imports on 215 specified items in the Canadian tariff. On about half of these items the increased margin was gained by reducing or abolishing the duty on British goods, while on the other half the margin is obtained by raising the tariff on foreign imports.[45]

It was further stipulated that all existing surcharges on imports from the United Kingdom will be completely abolished as soon as Canadian finances will allow, and the possibility of reducing and ultimately abolishing the exchange dumping duty on British imports will be given sympathetic consideration.

NEW ZEALAND

Increased preferences were granted on a number of articles of importance to the United Kingdom, and all British goods are to be exempted from the surtax.

Where the margin of preference now equals or exceeds 20 per cent *ad valorem*, the New Zealand government agreed not to reduce this margin without the consent of the United Kingdom.

It was also stipulated that the existing primage duty of 3 per cent should not be increased and should be abolished as soon as financial conditions permit.

NEWFOUNDLAND

A preference of 10 per cent *ad valorem* is to be given to the United Kingdom on 61 items of the Newfoundland tariff.

A general revision of the tariff is to be undertaken, to come into force on July 1, 1933, and so far as budgetary considerations will permit, provision will be made for "new and more valuable conditions in regard to the valuation of the pound sterling for customs purposes."

SOUTH AFRICA

Existing preferences were continued and increased preferences given on certain selected articles, mostly iron, steel and machinery. Increased duties were imposed on certain foreign goods.

SOUTHERN RHODESIA

Specific preferences varying from 10 to 20 per cent *ad valorem* were granted to United Kingdom

41. The following table shows the maximum quantities of foreign meat to be imported into the United Kingdom during each quarter of the period between January 1, 1933 and June 30, 1934, expressed as percentages of the quantities imported in the corresponding quarters of the twelve months ending June 30, 1932:

	1933				1934	
	Jan.-March	*Apr.-June*	*July-Sept.*	*Oct.-Dec.*	*Jan.-Mar.*	*Apr.-June*
Frozen mutton and lamb	90	85	80	75	70	65
Frozen beef	90	85	80	75	70	65
Chilled beef	100	100	100	100	100	100

42. On October 17, 1932 the United Kingdom gave six months' notice of denunciation of the 1930 Anglo-Soviet commercial agreement, on the ground that the above provision of the Ottawa agreement necessitates that the British government be in a position to discriminate by import prohibition against Soviet trade.

43. *News Chronicle* (London), October 18, 1932.

44. A preliminary customs duty on all goods landed, not rebatable, which is collected in advance of the regular duties.

45. Cf. p. 252.

goods on a limited list of articles. Further extension of preferences to the United Kingdom is to be considered "when economic and budgetary conditions permit."

INDIA

A 10 per cent preference is to be given on a large number of specified articles, and a 7½ per cent preference is granted on certain classes of motor vehicles. The 10 per cent preference will be extended to goods made of cotton, silk and artificial silk following the report of the Indian Tariff Board. In exchange, India receives enhanced preference for Indian cotton manufactures, coir manufactures, Indian carpets and rugs and a number of other peculiarly Indian products. The United Kingdom also agreed to impose a duty of 10 per cent on foreign linseed.

OTHER BRITISH COUNTRIES

Under the provisions of the various agreements, the government of the United Kingdom undertakes to invite the non-self-governing colonies and protectorates to accord to all the Dominions any preferences which may be accorded to any other part of the British Empire, and to accord new preferences on certain specified commodities.

In return the Dominions agreed to accord to the non-self-governing colonies and protectorates and certain mandated territories[46] the preference accorded to the United Kingdom, if the British government so requests and provided that the Dominion government in question shall not be bound to accord preferences to any colony or protectorate which, not being precluded by international obligations from according preferences,[47] either accords the Dominion no preference, or accords to some other part of the Empire preferences not accorded to the Dominion.[48]

INTER-DOMINION AGREEMENTS

The agreements between Canada and the Union of South Africa and Southern Rhodesia, respectively, provide for reciprocal tariff concessions on a number of stipulated articles, most of which were included in the Dominion—United Kingdom pacts. The agreement concluded by the Irish Free State with Canada, on the other hand, is more general in nature, making provision merely for the reciprocal extension of preferential treatment. The Irish Free State—Union of South Africa agreement is even more limited in nature, extending preferences on a total of only eleven articles.

FINANCIAL AND MONETARY PROBLEMS

No definite action was taken in regard to monetary problems although the subject was considered at length by a special committee. Among the proposals submitted by individuals or by organizations represented at Ottawa were such schemes as the remonetization of silver, bimetallism, a unified Empire currency, and a return to the gold standard. The creation of a central bank for the Empire was also suggested. None of these schemes was adopted, however, because of general recognition of the fact that the cooperation of the principal nations of the world would be necessary before any action in the monetary sphere could be made effective. The conference placed itself on record, however, as favoring a general rise in prices throughout the world, and urged international cooperation in maintaining an ample supply of short-term money at low interest rates as a valuable aid in this direction.[49] It also recognized the desirability of stabilizing exchange rates over as wide an area as possible until definite steps can be taken for the restoration of a satisfactory international standard.

EMPIRE CONTENT AND THE MOST-FAVORED-NATION CLAUSE

As the result of a sharp difference of opinion regarding the percentage of Empire content[50] necessary to secure preferential tariff treatment, it was decided to leave the matter to the separate governments,[51] with a statement pointing out that the standard should not be such as to defeat the intention of the preferential rate.[52] The conference also adopted a resolution condemning export bounties and anti-dumping duties in principle, and expressing the hope that with a rise in commodity prices such bounties and duties might be withdrawn.[53] While it was agreed that each government should be free to determine its policy in regard to the relationship between intra-Commonwealth preferences and the most-favored-nation clause in their commercial treaties with foreign powers, the representatives of the various governments definitely stated that it was their policy that no treaty obligations should be entered into in the future which would interfere with imperial preferences, and that they would free themselves of existing treaties, if any, which might so interfere. The conference also agreed that under most circumstances foreign countries which had treaty obligations to grant most-favored-nation treatment to the products of parts of the Commonwealth should not be allowed to over-ride such obligations by regional agreements, such as that of the Danubian states, although it would be within the discretion of an individual government to grant a waiver if it considered it desirable to do so.[53a]

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46. Tanganyika, the Cameroons and Togoland. In the Canadian agreement, Zanzibar is also included.

47. Reference is made to Kenya, Uganda, Nyasaland, Tanganyika and parts of Northern Rhodesia which are prohibited by the Act of Berlin from making tariff discriminations even in favor of the United Kingdom. (Cf. R. L. Buell, *International Relations*, New York, Holt, revised ed., 1929, p. 452.)

48. Reference is made to Northern Rhodesia which extends special preferences to the Union of South Africa, Southern Rhodesia, and the Territories of the South African High Commission.

49. *Report of the Conference*, cited, p. 22-24; cf. also p. 35-39, 115-146.

50. The proportion of Empire material and labor required in goods only partially manufactured in the Empire in order to entitle them to receive imperial preference.

51. This decision was of distinct advantage to the American branch factories in Canada and England, as the requirement of a high percentage of Empire content would have driven out a large proportion of these factories. (Cf. *New York Times*, August 16 and 18, 1932.)

52. *Report of the Conference*, cited, p. 20.

53. *Ibid.*

53a. *Ibid.*, p. 21-22.

RESULTS OF THE CONFERENCE

It is only natural that there should be a sharp difference of opinion regarding the effect of the conference on the prosperity of the Empire and on world trade. The official position of the British government has been that the conference was an unqualified success, beneficial alike to the Dominions and the United Kingdom, and an auspicious prelude to the World Economic Conference.[54] This attitude was generally shared by the Conservative press in Great Britain and the Dominions,[55] although there was a certain amount of dissatisfaction on the part of the extreme right.[56] The Labour and Liberal press, on the other hand, as might be expected from their traditional free trade position, were generally antagonistic to the pact.[57] The opposition of the Liberals resulted, on September 28, in the resignation of Sir Herbert Samuel, Sir Archibald Sinclair, and eight junior Liberal ministerial officials from the National Government in protest against its tariff policies. Lord Snowden, formerly Chancellor of the Exchequer in the Labour government, also retired from the Cabinet because of his dissatisfaction with the imperial agreements.[58] In the Dominions the opposition parties similarly attacked the Ottawa pacts, although in no case were they able to hinder prompt ratification.[59]

THE SIGNIFICANCE OF THE AGREEMENTS

EFFECT ON THE EMPIRE

It must remain an open question whether the Ottawa agreements in the long run will prove advantageous to the British Empire. As opponents and defenders of the pacts represent diametrically opposite schools of economic thought, it would be presumptuous to pass final judgment at this time. Supporters of the agreements insist that the measures taken at Ottawa will prove beneficial to both the United Kingdom and the Dominions. Expansion of British exports to the Empire is said to be assured by the reduction of many duties and the general increase in preferences, while further gains may be expected from the removal or mitigation of many of the more troublesome inter-imperial trade barriers, such as onerous customs regulations, surcharges and anti-dumping duties. The provision allowing British producers to appear before the Dominion Tariff Boards, moreover, should guarantee fairer treatment in regard to the fixing of Dominion protective duties,[60] although much will depend on the interpretation these bodies place on the agreements. The safeguarding of the British markets for Dominion products should also prove mutually advantageous by increasing the purchasing power of the Dominion producer, which in turn insures a greater outlet for British manufactured goods.[61] Finally, it is believed that increased trade and prosperity within the British Empire will inevitably tend to stimulate international trade and thereby hasten the restoration of world prosperity.

According to other observers, the political gains embodied in the Ottawa pacts outweigh the economic advantages. They declare that the very fact that substantial agreement could be reached on so many outstanding issues lays the foundation for closer imperial unity in the future.[62] From this point of view the success of the Ottawa Conference may be said to offer substantial encouragement for the forthcoming World Economic Conference.

Opponents of the Ottawa agreements base their criticism on the following three propositions:[63]

> The effect of the pacts generally is to raise rather than lower tariff schedules, and to restrict rather than increase the total trade.
>
> The agreements tie the hands of Great Britain and the Dominions for a period of at least five years, during which they are unable to participate effectively in either bilateral or multilateral

54. The following excerpts are taken from the "Statement by the United Kingdom Delegation," issued on shipboard August 26, 1932. (*The Times*, London, August 27, 1932.)

"The Agreements mark a degree of success far beyond anything that was expected before we left England. Success at an Imperial Conference does not mean success for us at the expense of the Dominions, nor gains for the Dominions at our expense; such a result would not mean success, for it would leave behind it the seeds of future friction. On the contrary, each part of the Empire has made its contribution to what we believe will prove to lead to closer Imperial unity.

"These trade agreements, on the one hand, widen the margin of preference in favour of the United Kingdom manufacturers (in many cases directly through the lowering of duties on United Kingdom goods) and, on the other hand, through the enlarged purchasing power of the Dominions, offer increasing opportunities of expansion for the United Kingdom export trade."

Also, cf. p. 253.

55. Cf. leader in *The Times* (London), August 22, 1932; the *Ottawa Journal* and the *Toronto Globe*, August 22, 1932; and *The Melbourne Age* and the *Sydney Sun* of the same date. Excerpts from the foregoing and other comments favorable to the Ottawa pact may be found in *Hints for Speakers*, issued by the Conservative and Unionist Central Office, September 15, 1932.

56. Cf. *The Morning Post* (London), August 21, 1932 and *The Melbourne Age*, September 8, 1932.

57. Cf. *The News Chronicle, The Daily Herald*, August 21, 1932; and the *Manchester Guardian Weekly*, August 26, 1932; *The Economist*, August 27, October 15 and 22, 1932.

58. *The Times* (London), September 29, 1932.

59. The Ottawa agreements were approved by the House of Commons on November 3 by a vote of 416 to 68, and received royal assent on November 15. The Canadian House of Commons passed the agreements on November 22 and 24. New Zealand ratified on October 21; Australia on November 16. The agreements were approved by a special committee appointed by the Indian Legislative Assembly on November 27. Newfoundland has not yet ratified the pacts.

60. Cf. *The Times* (London), August 22, 1932.

61. *Ibid.*, cf. also *Ottawa Journal*, August 22, 1932.

62. Cf. statement by the United Kingdom Delegation, *The Times* (London), August 27, 1932.

63. Cf. *The Economist*, August 13, 1932, p. 299; and October 15, 1932, p. 671; also statement made by Liberal ministers upon withdrawal from the Cabinet, *The Times* (London), September 29, 1932, p. 15.

negotiations for the reduction of the world's trade barriers.

By raising the duties on foodstuffs and raw materials, the Ottawa agreements will serve to increase substantially the cost of living[64] and the costs of industrial production in Great Britain, without granting any comparable advantage in return.

The critics declare that the benefits that are supposed to be derived from the imperial agreements are largely illusory. It is claimed, for example, that many of the goods which the Dominions have placed on the free list are of a type which England cannot hope to sell in substantial amounts.[65] In many other cases the existing tariffs in the Dominions are so high that even after a reduction in the duty or an increased preference has been granted, the British producer is still unable to sell profitably in the Dominion market. The most that can be hoped for is a transfer of Dominion purchases from foreign countries, such as the United States, to Great Britain, and the diversion of a certain amount of British purchases from Europe and America to Empire countries. The opponents of the pacts insist, moreover, that the total trade will not be increased, for when the reductions in the British preference rate are set against the higher duties imposed by both the Dominions and the United Kingdom, the mass of tariff barriers is greater than it had been previously.[66] As a result, it is declared, competition will be intensified in world markets, which will react principally against British and Dominion exports because costs of production within the Empire will tend to be pegged at a relatively high level. The reduction of British purchases in foreign countries must inevitably lead to a similar decline in the amount of British products sold abroad. Further trade losses may result, moreover, if, as a result of Ottawa, foreign nations no longer accord to Great Britain most-favored-nation treatment. The Empire countries can scarcely expect other nations to continue to grant them unconditional most-favored-nation treatment while they are developing a system of imperial preferences.[67]

Although it may be argued that the provision permitting the British government to remove the duties on wheat, copper, zinc and lead "if at any time the Empire producers . . . are unable or unwilling to offer these commodities . . . at prices not exceeding the world price" is a protection against higher costs, this provision is in fact meaningless. If these products only brought "world prices" in the British market, no benefit would be obtained by producers from the Ottawa agreements, for it is inconceivable that the imposition of tariff barriers in England would raise prices on the world market, except where the market, as in the case of copper, may be controlled. In practice, the observance of this stipulation may be difficult to secure, for Dominion producers are certain to resist any attempt to reduce or remove the duties once they have become operative.[68] Similarly the provision that Dominion duties will be adjusted "to give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost . . . of production" is dangerous in principle and unworkable in practice. If logically carried out, the principle of "equalizing costs" would destroy the entire basis of international trade.[69]

EFFECT ON THE UNITED STATES

While it is generally admitted that the gains in inter-imperial trade will in many cases be at the expense of American exports, it is impossible to make a close estimate of the actual loss involved for the United States. Experts in the United States Department of Commerce[70] have unofficially estimated that on the basis of the 1930 volume of trade the amount of American exports to Canada affected by the new duties might reach $75,000,000.[71] But this is by no means certain. While exports of this value—chiefly iron and steel products, chemicals and drugs—are affected by the new rates, it does not necessarily follow that all of these will be lost to the United States. Attempts to divert trade by artificially-imposed barriers are frequently not as effective as is expected. In many instances British industries would have to change production methods to meet Canadian requirements, and in other cases it might not be difficult for the American producers to adjust prices suf-

64. Cf. Thomas Williams, "Not a Hope from Ottawa," *The Labour Magazine*, November, 1932.

65. Motor cars are cited as an illustration. American motor cars are, at present, able to compete with British-made cars in the British market despite the British tariff and the depreciation of the pound sterling.

66. *The Economist*, p. 671.

67. Cf. Sir Arthur Salter, "The Conferences of this Year," *The Political Quarterly* (London), October-December, 1932, p. 477.

68. Cf. *The Economist, Ottawa Supplement*, October 22, 1932, p. 4.

69. *Ibid.*, p. 19; cf. also *The Economist*, October 15, 1932. For rejoinder, cf. J. M. Macdonnell, "After the Ottawa Conference," *Foreign Affairs*, January, 1933, p. 341-42.

70. *New York Times*, October 14 and 15, 1932; cf. also analysis by U. S. Chamber of Commerce, *New York Times*, November 17, 1932.

71. The new duties affect especially United States exports of chemicals and drugs to Canada. Over 90 per cent of Canada's imports in these categories have been furnished by the United States.

In its analysis of the Canadian tariff changes, the United States Department of Commerce calculated that out of the 262 changes in the 807 items of the Canadian tariff, all but 37 involved duties designed to increase the margin of preference enjoyed by the products of the British Empire in the Canadian market. In making 133 of these changes, the increased margin was obtained by reducing or removing the existing British preferential duties (57 items were reduced, and 76 made free). In slightly over half of the items, additional advantage to British goods is arranged through increases either in the intermediate rates of the Canadian tariff, which apply to non-British countries having commercial treaties with Canada, or in the general or highest scale of duties which applies to the products of the United States and other non-treaty countries. (For a complete schedule of changes in the Canadian tariff, cf. Department of Commerce, *Press Release*, October 14, 1932; also the *New York Times*, October 14 and 15, 1932.)

ficiently to continue to undersell British competitors.[72] Preliminary estimates indicate, however, that the decline in American exports to Great Britain may be more serious than the drop in Canadian trade.[73] The increase in the British duties on fresh, canned and dried fruit will affect exports from the United States which in the past years have averaged approximately $40,000,000 annually.[74] The wheat duty, however, which a few years ago would have been considered disastrous to American wheat-growers, is of relatively little importance at present as wheat exports from the United States to the United Kingdom for the first six months of 1932 amounted to only $2,400,000.[75] Only fragmentary estimates are available in regard to the losses to be expected as a result of the decline of American exports to other portions of the British Empire.[76]

EFFECT ON OTHER NATIONS

Several other countries will probably suffer a greater proportionate loss in their exports to the United Kingdom than will the United States. While only about half of American imports into England on the basis of the 1930 trade are dutiable, over 70 per cent of the imports from European countries, and nearly 85 per cent of Germany's shipments are subject to duty.[77] Denmark is particularly affected by the levies on butter and eggs, and the proposed regulation of bacon exports, having sold nearly two hundred million dollars' worth of these products to Great Britain in 1931.[78] Argentina may lose heavily as the result of tariff on wheat and the restrictions on the import of meat. The Soviet Union, with exports to the United Kingdom valued at $137,000,000 in 1931, may also lose heavily from the wheat and lumber duties as well as from the difficulties arising out of the abrogation of the Anglo-Soviet trade agreement. The increase in duties is also especially onerous with respect to the imports of Holland, Belgium, Sweden, Italy, Finland and Chile, all of which have been numbered hitherto among Britain's best customers.[79]

At least sixteen nations, including the three Scandinavian countries, France, Germany, Finland, Argentina and Uruguay, have either entered into tariff negotiations with the United Kingdom or expressed their intention of doing so.[79a] In most cases, however, the negotiations have proceeded slowly, due to Britain's inability to make adequate reciprocal concessions and to difficulties over the continuation of most-favored-nation treatment.[80]

OTTAWA AND THE WORLD ECONOMIC CONFERENCE

A final evaluation of the Ottawa Conference will depend on the effects it may have on the World Economic Conference scheduled to meet early next year. On this question, however, there is likewise an almost complete divergence of opinion. In its official statement after the close of the Conference, the British delegation declared that:

> "We can face the future with hope. The events of this year show that we have moved away from the area of deep depression that has so long clouded our horizon: the Lausanne Conference marked the first stage; the amazing success of the Conversion Loan was the next; now has come the Ottawa Conference to take its place in the sequence of our forward march. With this inspiration, widespread as it will be throughout the world, we shall proceed with the fullest confidence that the World Economic Conference will form a fitting conclusion to a year of solid and substantial advance towards better times."[80a]

In sharp contrast with this view, the critics of the pacts contend that agreements reached at Ottawa prevent the United Kingdom and the British Dominions from offering substantial *quid pro quo* concessions at the World Conference.[81] Great Britain's possible concessions to foreign countries are limited for a period of five years by the minimum duties imposed at Ottawa.[82] The

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72. The importance of this and similar considerations is indicated by the fact that during the first month in which the new duties were in effect the actual decline in American exports to Canada was less than 10 per cent. (Cf. *New York Times*, November 13, 1932.)
73. The value of the exports from the United States in 1931 to Britain on which substantial preferences were accorded to Canada under the Ottawa agreements has been calculated by the Commerce Department to have been $81,233,479. *New York Times*, November 17, 1932; cf. official statement, *ibid.*, November 19, 1932.
74. *Ibid.*, October 14, 1932.
75. *Monthly Summary of Foreign Commerce of the United States*. U. S. Department of Commerce (Washington, U. S. Government Printing Office), June 1932, Part I.
76. An unofficial report from Hongkong indicates that the new 20 per cent duty on non-British automobiles might seriously curtail the import of American cars which has hitherto amounted to approximately $450,000 annually.
77. Cf. *The Economist, Ottawa Supplement*, cited, p. 6-7.
78. Cf. *Christian Science Monitor*, July 29, 1932.
79. Cf. *The Economist, Ottawa Supplement*, cited.

79a. *New York Times*, October 26, 1932.
80. Cf. *The Times* (London), October 6, 1932, p. 9.
80a. *Ibid.*, August 27, 1932.
81. In his letter to Prime Minister MacDonald on the occasion of his resignation from the Preparatory Committee of the World Economic Conference, Sir Walter Layton developed this criticism as follows:

"Among these handicaps—apart altogether from the growing tendency to introduce an element of permanence and rigidity into our tariff by various commitments—I would mention especially the introduction of the quota system in regard to meat, the implied endorsement in the Ottawa agreements . . . of the principle of 'compensatory' tariffs, and the unhelpful attitude adopted by Great Britain towards regional agreements in Europe.

"In the absence of radical change in the world's commercial policy—in which this country's attitude could be an almost decisive factor—I do not see the possibility of a really satisfactory outcome of the World Economic Conference on the monetary side." (*The Economist*, October 29, 1932.)

82. In a statement before the House of Commons on November 2, 1932, Mr. Hore-Belisha, financial secretary to the Treasury, raised some doubt as to the accuracy of this contention when he said: "There is nothing in the agreements which takes away from the right of Parliament legally to reduce any taxes at any time. At any time this Act can be repealed by any Parliament . . . All the Government says is that while in law nothing binds Parliament for five years . . . they will . . . use all their authority to see that the signatures of those Ministers who signed the agreements are honoured."

The final sentence is of especial importance in this connection for, barring unforeseen developments, it is probable that the present government or one closely akin to it will be in power for at least four more years.

articles affected include those previously on the free list which are now to be taxed, articles on which increased specific duties are imposed, and articles on which a 10 per cent *ad valorem* duty is guaranteed for five years. The importance of these limitations may be seen by the fact that they apply to 26.9 per cent of Britain's imports on a 1930 basis,[83] and cover particularly those commodities which are most highly competitive. While this leaves a substantial margin for discussion, it permits only piecemeal negotiations, which will be of doubtful value at the World Conference.

Many observers feel that the Ottawa Agreements represent a theory of trade development which lies midway between the extreme of economic nationalism and that of international economic cooperation. In view of the fact that the nation has, in most instances, proved to be too small to be developed as a self-contained economic unit, it is suggested that groups of nations, linked either by political or regional ties, be combined to form such a unit. This concept is, of course, fundamentally opposed to the traditional theories of free trade and the interdependence of nations, even in the modified form expressed by the World Economic Conference in 1927.[84] As worked out at Ottawa, it appears to have increased rather than reduced national tariffs. Whether it will be possible at the forthcoming world conference to reconcile the development of regionalism and the realities of international interdependence is, of course, unknown. It would seem clear, however, that the final answer to this question depends on whether these regional or political associations can effect a reduction in existing trade barriers and bring about an increase in the volume of world economic activity.

83. Imports affected, on the basis of the 1930 trade figures, totalled £278,000,000 out of total imports of £1,032,000,000. (*The Economist, Ottawa Supplement*, p. 18.)

84. The conference put itself definitely on record against any form of trade restrictions and by its insistence on the unconditional most-favored-nation clause would seem to rule out the developments of group agreements. Cf. League of Nations, *The World Economic Conference, Final Report*, 1927, C.E.I.44(1)., p. 27-32.

APPENDIX

New Duties to be Imposed by the United Kingdom on Foreign Imports[1]

	Duties to be Imposed by Great Britain by Agreement with				
	Australia	*New Zealand*	*Canada*	*South Africa*	*Southern Rhodesia*
Wheat,* per quarter	2/–	....	2/–	....	....
Maize, flat white, per cent, *ad valorem*	....	....	....	10/–	10/–
Butter, per cwt.	15/–	15/–	15/–	15/–	15/–
Cheese, per cent	15	15	15	15	15
Raw apples and pears, per cwt.	4/6	4/6	4/6	4/6	....
Canned apples,† per cwt.	3/6	....	3/6	3/6	....
Other canned fruits,† per cent	15	....	....	15	....
Dried fruits, now dutiable at 7/–, per cwt.	10/6	....	10/6	10/6	....
Eggs in shell, not exceeding 14 lbs., per great hundred (=120)	1/–	1/–	1/–	1/–	1/–
Eggs in shell, over 14 lbs., but not exceeding 17 lbs., per great hundred (=120)	1/6	1/6	1/6	1/6	1/6
Eggs in shell, over 17 lbs., per great hundred (=120)	1/9	1/9	1/9	1/9	1/9
Sweetened condensed whole milk,† per cwt.	5/–	5/–	5/–	5/–	....
Unsweetened condensed whole milk, per cwt.	6/–	6/–	....	6/–	....
Milk powder and other preserved milk, not sweetened, per cwt.	5/–	5/–	....	5/–	....
Honey, per cwt.	7/–	7/–	....	....	....
Unwrought copper ingots, bars, blocks, slabs, cakes and rods,* per lb.	2d.	....	2d.	2d.	2d.
Raw oranges (Apr. 1 to Nov. 30), per cwt.	3/6	....	....	3/6	3/6
Raw grape fruit (Apr. 1 to Nov. 30), per cwt.	5/–	....	....	5/–	5/–
Grapes, other than hot-house (Feb. 1 to June 30), per lb.	1½d.	....	....	1½d.	....
Raw peaches and nectarines (Dec. 1 to Mar. 31), per cwt.	....	....	....	14/–	....
Raw plums (Dec. 1 to Mar. 31), per cwt.	....	....	....	9/4	....

1. *Hints for Speakers*, cited, September 15, 1932, No. 11, p. 31.
†In addition to duty in respect of sugar content.
*Conditional on Empire producers offering these commodities on first sale in the United Kingdom at prices not exceeding the world price and in quantities sufficient to meet the requirements of United Kingdom consumers.